

Achieving the continuous close

at a global services manufacturing firm

Case Study



JABIL

Region

Americas

Industry

Manufacturing - Durables

Size

140,000+ employees
at 100+ locations
in 25 countries

Solution

Finance Automation
by Redwood

ERP Integrations

SAP® ERP

Results

Saved 95,000–120,000 hrs
annually

Reduced audit and
developmental fees



Company Overview

Jabil is a global manufacturing services company with 100 sites in over 25 countries. Its services include design engineering, manufacturing and supply chain services for the electronics manufacturing services (EMS) and consumer industries, as well as materials technology services. Jabil serves customers in the aerospace, automotive, clean technology, computing, consumer products, defense, healthcare, instrumentation, life sciences, storage and telecommunications industries.

Business Challenge

Jabil set out to improve the efficiency, speed and accuracy of its record-to-report (R2R) function. Its R2R processes were repetitive and manually intensive, and a formal evaluation revealed the magnitude of unnecessary time and costs the business accumulated as a result.

The study also uncovered a lack of process standardization and consistency. Staff would have to export data from SAP into

"Our journey is to automate where it makes sense. And before we automate, to look at what the process is, where we need to standardize and what are the issues with it. We want to clean up our house before we automate and then do the automation."

— Scott Barone, Director of the finance digital PMO, Jabil

spreadsheets. Moreover, each site did it slightly differently, with no true workflow approval processes. From an audit perspective, the company's R2R function was costly.

Jabil had one major advantage in solving this problem: a dedicated Finance Digital Transformation Team (FDT). The FDT owns several functions within finance, including forecasting, planning and consolidations. Team members act as internal consultants, applying their business acumen to suggest and implement change.

To eliminate this inefficient work, the FDT set out to automate all manual-intensive processes across R2R. Their initial focus was to improve Jabil's balance sheet certification process, which falls in the middle of its heavily regulated financial close process every month-end. Any delays or errors in this process can negatively impact close and reporting deadlines, the effects of which extend to automating journal entry, intercompany transaction records and the financial close cockpit.

Solution

The FDT evaluated different automation solutions that could help standardize balance sheet certification and eliminate repetitive manual tasks. They discounted best-of-breed balance sheet certification point solutions due to their high cost and lack of automation. Following their analysis, the team concluded that no other product could automate as much of the local entity close as Finance Automation by Redwood or – as a bonus benefit – facilitate audit cost reduction.

Jabil's FDT chose Finance Automation by Redwood for its ability to automate R2R and other core finance processes and deliver results in four game-changing areas: time savings, cost savings, standardization/centralization and data quality. The team was particularly intrigued by the single-system balance sheet certification process, which allows preparers and approvers to complete work with the press of a button. As an additional benefit, the solution would aggregate Jabil's balance sheet certifications for easy auditor access.

*Across nine sites,
the company
was spending
240,000 hours per
year on the close
process alone.*



Results

Jabil's team now applies the power of Finance Automation by Redwood to standardize and speed up processes such as balance sheet certification, sub-ledgers, closing task lists, intercompany and more.

"With Redwood, we were able to quickly move in a positive direction," says Scott Barone, Finance PMO Director. "We minimized our developmental efforts because a lot of processes are already predetermined. Out of the box, it's easy to get up and running."



By automating entity close, receivables management and intercompany netting with Redwood's flexible record-to-report automation, Jabil has achieved measurable results in the four areas in which the team expected to see change:

- **Tremendous time savings:** Scott and the Jabil team spend less time supporting external auditors because they have a centralized system and have recovered 95,000–120,000 hours per year that they used to dedicate to month-end closing, manual journal entry and intercompany.
- **Cost savings:** Because Jabil can quickly provide auditors with clean data, the company spends far less on audit fees.
- **Standardization/centralization:** There is no longer a need for controls at various sites; instead, Jabil's Finance team can answer auditors' questions using Finance Automation by Redwood as a global data source.
- **Data quality:** It's simple to resolve any audit findings with built-in, risk-based analytics.

Approved projects now move to "in-flight" status without being hindered by IT bottlenecks, and the platform's SOX-compliant status makes it easy for Jabil to develop what it needs to further improve efficiency.

Users can pull in data quickly and revalidate and reapprove if something changes. Jabil's Finance staff can focus on deeper analysis rather than time-consuming data input – They can be proactive instead of reactive.



We're saving five hours per company code during the close process and that's a big saving, especially given where balance sheet certification sits in the close process and that it has to be done by a certain business day."

— Scott Barone, Finance PMO Director

Future Goals

Jabil first adopted Finance Automation by Redwood by rolling out balance sheet certifications in an on-premise environment in 2021. The FDT expects to continue saving time with this key process. They anticipate having all company codes in the Redwood platform, saving 14,000–15,000 hours annually on this process alone by the end of fiscal year 2025.

Scott emphasizes the company's community approach to fully adopting the software. A combination of support from the FDT, buy-in from site-based experts and global policies for updating documents and procedures have made the automation journey successful thus far.

Having smoothly transitioned to the cloud in January 2024, Jabil has even bigger plans for extracting value from the system-agnostic, robust Finance Automation by Redwood. The FDT is excited to roll out SOX controls management, closing task list processes and additional automations to more sites later this year.



Ready to see results like Jabil's? Find out what's possible when you upgrade your record-to-report processes.

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